

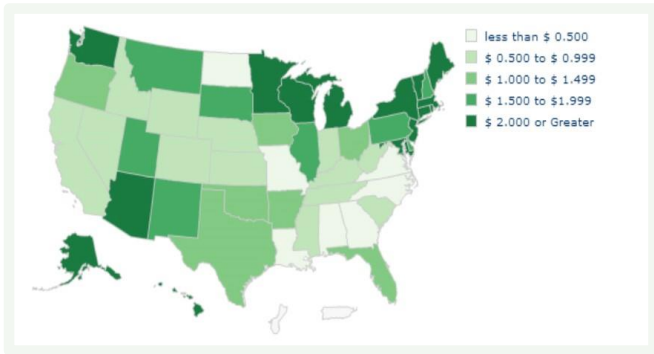
FACT SHEET

Tobacco Taxes, Revenue, & Consumption

Excise Taxes in Wyoming & in the United States

In 2009, the federal cigarette excise tax increased from \$0.39 to \$1.01 per pack, an increase of \$0.62. Wyoming last raised the state cigarette excise tax in 2003, when the rate increased from \$0.12 to \$0.60 per pack.¹ In 2014, the average state excise tax (not including federal tax) is \$1.54. Wyoming's excise tax is the second lowest in the region comprised of Wyoming and the six bordering states.²

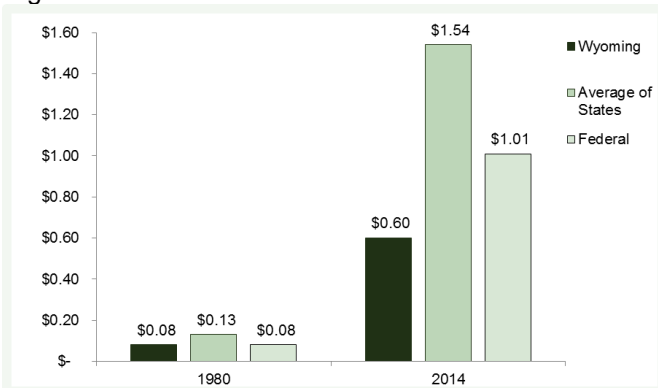
State Excise Taxes (per Pack), 2014²



Increases in Excise Taxes in Wyoming and in the United States

Because of the relatively (compared to the federal excise tax and average of state excise taxes) small tax increase in Wyoming, the tax rate has gone from similar to the average and federal rates in 1980 to lower than both in 2014.^{2, 3}

Cigarette Excise Taxes and Increases since 1980^{2, 3}



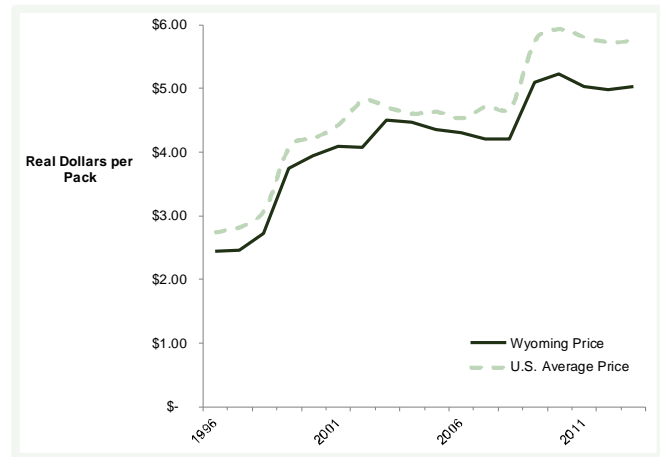
Cigarette Prices over Time

Cigarette prices (including excise taxes) have increased over time, but Wyoming's cigarette taxes and prices have consistently been below the national average.

In 2013 dollars:^{1, 4}

- In Wyoming, the average price of cigarettes increased from \$1.58 in 1980 to \$5.02 in 2013.
- In the United States, the average price of cigarettes increased from \$1.78 per pack in 1980 to \$5.76 in 2013.

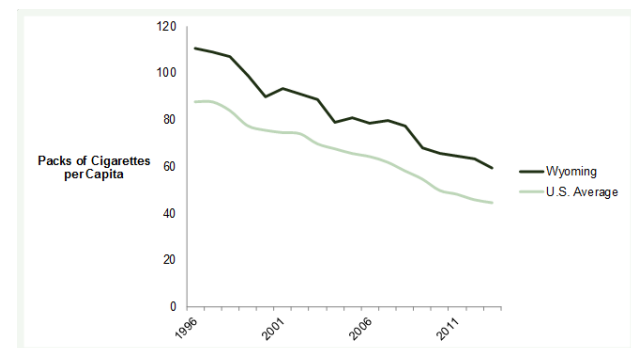
Average Cigarette Prices, in 2013 Dollars^{1, 4}



Cigarette Consumption over Time

Since 1996, cigarette consumption in Wyoming and the United States has declined. However, consumption has decreased at a slower rate than prices have increased.⁴

Taxable Cigarette Sales⁴



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Wyoming Excise Tax



Average State Excise Tax



Federal Excise Tax

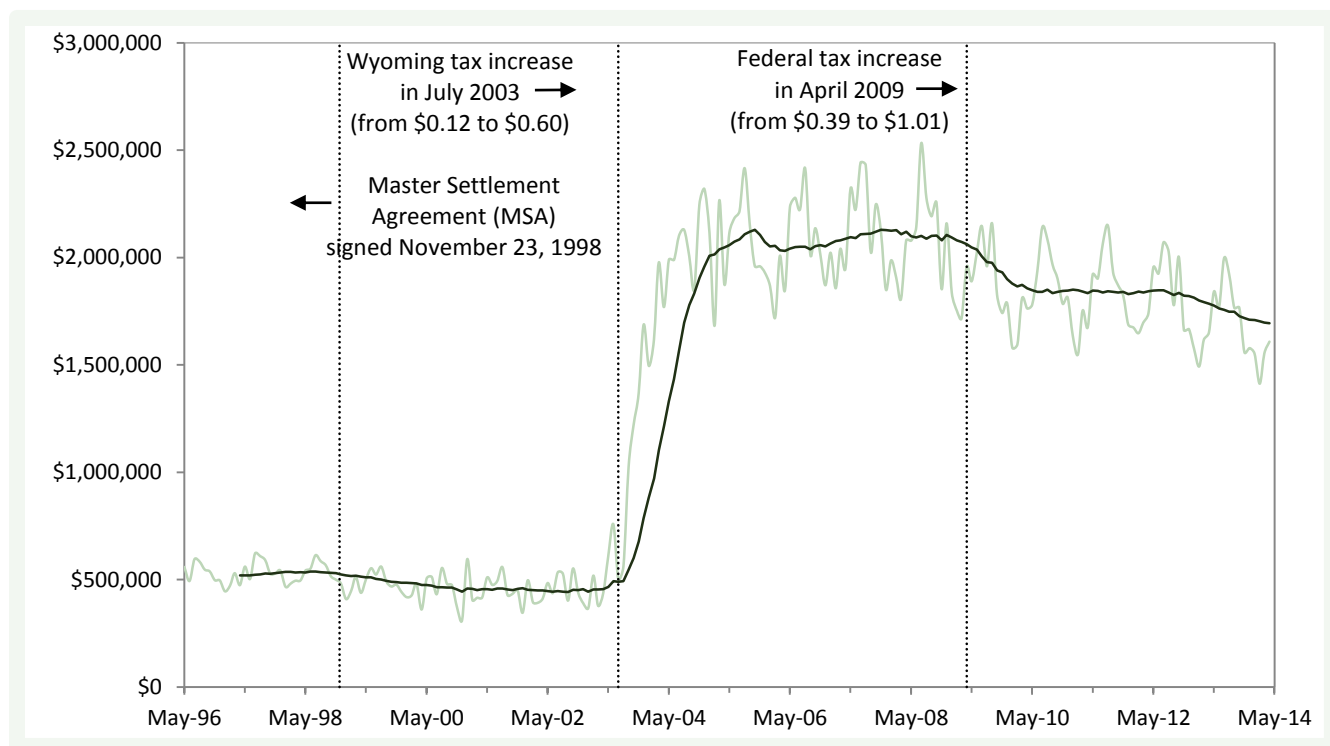
FACT SHEET cont.

Wyoming's July 2003 Tax Increase

After controlling for other factors (e.g., inflation, seasonality), Wyoming's \$0.48 tax increase in 2003 (equivalent to a 13% price increase) reduced monthly cigarette consumption by 6%.⁴

Consistent with every other state, Wyoming experienced a significant increase in cigarette tax revenue when it raised its cigarette excise tax. Adjusting for inflation, Wyoming's cigarette tax revenue increased from \$5.1 million in fiscal the fiscal year before the tax increase took effect to \$6.6 million in fiscal year 2014.⁵

Monthly Wyoming Cigarette Excise Tax Revenue⁴



WYSAC Fact Sheet: Tobacco Taxes, Revenue, & Consumption

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¹ Orzechowski, W., & Walker, R. (2014). *The tax burden on tobacco: historical compilation* volume 48, 2013. Arlington, VA: Authors.

² Centers for Disease Control and Prevention. (2014). *State tobacco activities tracking and evaluation (STATE) system*. Retrieved October 9, 2014, from <http://www.cdc.gov>

³ U.S. Department of the Treasury. (2009). *Federal excise tax increase and related provisions*. Retrieved July 2, 2009, from <http://www.ttb.gov>

⁴ WYSAC. (2014). *Tax Revenue and Cigarette Consumption in Wyoming: May 1996-April 2014* by N. M. Nelson, & M. Kato. (WYSAC Technical Report No. CHES-1442). Laramie, WY: Wyoming Survey & Analysis Center, University of Wyoming.

⁵ Wyoming Department of Revenue. [ca. 2014b]. Department of Revenue, Fact sheet, Fiscal year 2014, Excise tax division. Retrieved October 15, 2014, from <http://revenue.wyo.gov>